

SENATE BILL No. 189

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-20.

Synopsis: Sales tax on food. Provides that a food item sold from a vending machine may fall within the category of "food for human consumption" and may therefore be exempt from the sales tax. (Current law specifically excludes food sold from a vending machine from the category of food for human consumption and thus makes vending machine food subject to the sales tax.) Creates a new category ("food for immediate human consumption") to refer to certain types of food (including restaurant food, take out food, and catered food) that are excluded from the category of food for human consumption and are therefore subject to the sales tax. Does not designate vending machine food as a food for immediate human consumption.

Effective: July 1, 2002.

Lewis

January 7, 2002, read first time and referred to Committee on Finance.



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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 189

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-5-20 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. (a) **Except as**
3 **provided in subsection (d)**, sales of food for human consumption are
4 exempt from the state gross retail tax.
5 (b) For purposes of this section, the term "food for human
6 consumption" includes:
7 (1) cereals and cereal products;
8 (2) milk and milk products, including ice cream;
9 (3) meat and meat products;
10 (4) fish and fish products;
11 (5) eggs and egg products;
12 (6) vegetables and vegetable products;
13 (7) fruit and fruit products, including fruit juices;
14 (8) sugar, sugar substitutes, and sugar products;
15 (9) coffee and coffee substitutes;
16 (10) tea, cocoa, and cocoa products;
17 (11) spices, condiments, extracts, and salt;

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(12) oleomargarine; and

(13) natural spring water.

(c) For purposes of this section, the term "food for human consumption" does not include:

(1) candy, confectionery, and chewing gum;

(2) alcoholic beverages;

(3) cocktail mixes;

(4) soft drinks, sodas, and other similar beverages;

(5) medicines, tonics, vitamins, and other dietary supplements;

(6) water (except natural spring water), mineral water, carbonated water, and ice; **and**

(7) pet food.

(d) Sales of food for immediate human consumption are subject to the state gross retail tax.

(e) For purposes of this section, "food for immediate human consumption" means food prepared to be eaten by humans without substantial delay between the final stage of preparation and the time of consumption. The term includes:

~~(8)~~ **(1)** food furnished, prepared, or served for consumption at a location, or on equipment, provided by the retail merchant;

~~(9)~~ **(2)** meals served by a retail merchant off the merchant's premises;

~~(10)~~ **(3)** food sold by a retail merchant who ordinarily bags, wraps, or packages the food for immediate consumption on or near the merchant's premises, including food sold on a "take out" or "to go" basis; and

~~(11)~~ **(4)** food sold ~~through a vending machine~~ or by a street vendor.

SECTION 2. [EFFECTIVE JULY 1, 2002] IC 6-2.5-5-20, as amended by this act, applies to retail transactions occurring after June 30, 2002.

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